



**STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
BOARD FOR LICENSING CONTRACTORS**

Mailing Address: 500 James Robertson Pkwy.,
Nashville, TN 37243-1150

Telephone: (615) 253-5741 / Fax: (615) 532-2868

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Email: Contractor.App@tn.gov

HOME IMPROVEMENT

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STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND ISURANCE
BOARD FOR LICENSING CONTRACTORS – HOME IMPROVEMENT

Mailing Address: 500 JAMES ROBERTSON PARKWAY/ NASHVILLE, TENNESSEE 37243-1140
(615) 741-8307 or (800) 544-7693 or FAX - (615) 532-2868

<http://www.tn.gov/commerce/boards/contractors/> Email: Contractors.Home-Improvement@tn.gov

HOME IMPROVEMENT LICENSE APPLICATION – INSTRUCTIONS
NO EXAMS REQUIRED

A **Home Improvement** license is required to perform residential remodeling work as a prime (*contracting directly with the owner*) for the following: **1)** In counties where the law has been adopted (*see below*); and **2)** If the total cost (*contract amount*) is \$3,000 - \$24,999 (includes materials, labor and profit). (*Note: Over \$25,000 requires a “Contractor’s” license.*) Employees of a contractor are exempt from the license, as well as a residential homeowner performing their own work.

- **County Requirement:** This state law applies to the following counties: Bradley, Davidson, Haywood, Hamilton, Knox, Marion, Robertson, Rutherford, and Shelby). Check local government for business licenses, bonding, permits and inspection requirements: <http://www.tn.gov/local/>
- **Home Improvement Defined:** Repair, replace, remodel, alter, conversion, modernization, improvement, or addition to structures and land. (Some government agencies may require for HVAC work). (*See TCA § 62-6-502 and TCA § 62-6-137*)
- **Examples of Home Improvement:** Driveways, swimming pools, porches, garages, landscaping fences, shelters, roofing, painting, environmental remediation (asbestos, lead, mold), and other improvements for the repair, removal or demolition of any damage to a building or structure caused by insects or natural disaster.
- **Other:** Those performing lead paint abatement, well drilling, security, electrical, mechanical, HVAC and plumbing are required to obtain other agency licenses (*see our website for additional information*).
- **Name on License:** Licenses cannot be issued in a similar name used by another licensee. Check at: <http://verify.tn.gov/> Licenses are issued in the exact name as listed on the bond and as registered with the Secretary of State.

Please read these instructions carefully before completing the attached “*Home Improvement License Application*”; read license law pertaining to: **advertising, payments from consumers, permits, inspections and preparing contracts**, to prevent license law violations.

Your application CANNOT be considered until all questions are answered, with disclosures provided with information attached. Include a copy of a photo ID (*driver’s license*) for each owner or officer. See page 5 for check-list.

- ◆ **Application fee for two (2) year license - \$250.00 – By check or money order payable to: State of Tennessee** (*do not mail cash*). Board office cannot accept fees at their physical location.
- ◆ **Bond or ILOC** - Attach an original proof of financial responsibility; a copy is not acceptable. It must be in the amount of \$10,000 and in one of the following optional four (4) formats listed below. Note: Bond must remain on file for one (1) year after license inactivated or replaced, and cannot be released earlier. The license is issued in the name of the entity on the bond; if a corporation or LLC, should be same as registered with the Secretary of State. (See Rule 0680-7-.13) Reminder: Cannot be licensed in the same or similar name of another licensee or registrant.

Options for Financial Responsibility are as follows:

1. **Surety Bond** Include written Power of Attorney from Insurance company (**see page 6**) (See attached format for your insurance company; Contractor signs as “Principal”; must include bond number);
2. **Cash Bond** No sample form available; check with your bank for preparation;
3. **Property Bond** No sample form available; requires an attorney to prepare; appraisal; and file deed with county clerk;
4. **Irrevocable Letter of Credit (ILOC)** (Must be in the attached format from a FDIC approved bank, savings and loan financial institution) (*see page 7*)

- ◆ **Insurance - Supply Proof of Workers’ Compensation for Tennessee; and General Liability** (*see pages 8-9*)
- ◆ **Must complete page 13 – Eligibility Verification Attestation** (*see pages 12 – 14*)
- ◆ **See CHECK-LIST for further requirements and instructions** (*page 5*)
- ◆ **Board Review for License Issuance**

The license must be approved by the Board (see “Public Meeting Calendar” on website for list of meeting dates. (Note: If you need a license issued prior to the next Board meeting on an “emergency” basis, please attach a written request with the reasons. If there are violations, complaints or convictions, it cannot be approved on an emergency basis.) If you have complaints, convictions, incomplete application or failed to disclose information, the Board may require a personal interview with the business owner. If you have been convicted of a felony, please attach documentation (*charging document; disposition; release of probation, background check showing clean history, etc.*).



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 Website: <http://www.tn.gov/regboards/contractors/> Email: Contractor.App@tn.gov

\$250 Fee – 1701- HI Initial
Xact#:

*Note: If an interview or full Board review is required, check the "Public Meeting Calendar" on the website for the Board's next meeting.

HOME IMPROVEMENT LICENSE - APPLICATION

\$250.00 – FEE (2 year License)

(Make check payable to: "Home Improvement Contractors Board")

<input type="checkbox"/> New – First Time Applicant OR <input type="checkbox"/> Additional License Request <input type="checkbox"/> Separate Business <input type="checkbox"/> Owner/Officer Licensed (Prior/Current License # _____) <input type="checkbox"/> Resubmitted – Prior Application Denied or Pending <input type="checkbox"/> Reinstatement of Expired License (License # _____ - Exp: _____)
--

NAME TO APPEAR ON LICENSE: _____

(Name cannot be similar to another licensee; name must be the same as listed on Bond or ILOC)

BUSINESS LOCATION ADDRESS: _____

[If listing a P.O. Box, include physical address] [Have you been at this address for more than one year? Yes; No -See page 4]

CITY _____ STATE _____ ZIP _____

TELEPHONE: (____) _____ - _____ CELL: (____) _____ - _____ FAX: (____) _____ - _____

EMAIL: _____ WEBSITE _____

FEIN Tax ID# _____ N/A Contact Person/Office Manager: _____

1. Mode of Operation: Sole Proprietor Partnership/Joint Venture *Corporation *LLC
 *Corporation or LLC: Attach: 1) Charter or Articles of Organization; and 2) Proof of registration at Tennessee Secretary of State
 See Attached: Charter or Articles of Organization Registration at SOS Not Attached - application incomplete

2. Please list name(s) of owner(s) / officers; their SS#, ownership percentage (may supply attachment); **alternate address other than business listed above (home or office headquarters – see T.C.A. § 62-6-506); attach a copy of photo ID; and attach page 13;

▪ Name _____ SS# _____
 Title: _____ Ownership: _____% Attach Photo ID

**Alternate Address _____

▪ Name _____ SS# _____
 Title: _____ Ownership: _____% Attach Photo ID

**Alternate Address: _____

**If there is not an alternate address, please provide explanation: Works out of home Other _____

Disclosure: Social Security Number (SSN) will not be a part of public record, in accordance of 42 USC 666.

Office Use - Only

<input type="checkbox"/> Approve for Issuance <input type="checkbox"/> Schedule for Interview <input type="checkbox"/> Denied – Agenda for Board Hold for _____ Board Member: _____ Date: _____	Staff <input type="checkbox"/> Letter <input type="checkbox"/> WC for TN <input type="checkbox"/> Other: _____ <input type="checkbox"/> Complaints: _____ <input type="checkbox"/> License Issued _____
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In accordance of T.C.A. § 62-6-501; please answer on behalf of "You" for ALL owners, officers or individuals associated with this entity's business, including key personnel who will be acting on behalf of the business, to be best of your knowledge:

LICENSE/BUSINESS HISTORY DISCLOSURE (See T.C.A. § 62-6-506; and 510) *If marked "Yes", attach an explanation

- 3. ___ * **Yes** ___ **No** Have you held a Contractor, Home Improvement or other trade license, in Tennessee or another State?
- 4. ___ * **Yes** ___ **No** Have you, had a license denied, suspended or revoked, in Tennessee or any other State; or associated with any business as an employee, which had a license denied, suspended or revoked? (If **yes, please submit attachment with explanation.)
- 5. ___ * **Yes** ___ **No** Do you provide mortgage loans or act as a lender? If yes, may be a conflict of interest.

CRIMINAL HISTORY DISCLOSURE (See T.C.A. §62-6-510) *If marked "yes", attach an explanation

- 6. ___ * **Yes** ___ **No** Have you or anyone associated with this business, ever been convicted of a felony?
If *yes, please provide: 1) ___Charging document 2) ___Disposition (proof of any sentence or court order)
3) ___Probation release 4) ___Criminal back-ground check

Failure to supply complete documentation may delay license consideration for issuance; non-disclosure may cause the license to be denied or revoked.

COMPLAINTS/JUDGMENTS DISCLOSURE (See T.C.A. § 62-6-502; 503; 506; and 509) *If marked "yes", attach an explanation

- 7. ___ * **Yes** ___ **No** Do you have judgments(s) rendered or pending for actions arising in the field of construction?
- 8. ___ * **Yes** ___ **No** Do you have a record of construction complaints, from any state, agency or consumer?
- 9. ___ * **Yes** ___ **No** Are you in violation of ___Soliciting; ___Contracting ; or ___ Performing Work, where a license is required?

INSURANCE & GENERAL INFORMATION (See T.C.A. § 62-6-506; 508; and 510)

- 10. Proof of General Liability Insurance ___ * **Yes** (Attached); ___ ****No** (**License cannot be issued – See page 9)
- 11. Employees: None; 1 to 5; More than 5;
- 12. Subcontractors Use Subcontractors No subs – Works directly for owner
- 13. Workers' Compensation Insurance Coverage for Tennessee: ___ * **Yes** - Attached ___ ****No** - Complete **page 8 and attach
- 14. Do you have more than one office location? ___ * **Yes** (List on page 4); ___ **No**
- 15. Are you aware, contracts must be in **writing** and prohibit taking more than 1/3 deposit ___ **Yes** ___ ****No**(see page 10)
- 16. ___ **HAVE** ___ **HAVE NOT** – Checked to ensure license name is not similar to another licensee: <http://verify.tn.gov/>
- 17. ___ **Yes** ___ * **No** – Aware of definition of employee (*No – see <http://www.tn.gov/labor-wfd/Employers/employers.shtml>)
- 18. Please read the laws, rules and regulations relative to contracts, payment and advertising (see page 10).

Please read carefully before signing and keep a copy for records!

(Copies may be submitted to include signatures of additional owners/officers)

18. As owners(s), I certify all questions on this application have been answered true and correctly, to the best of my knowledge. I understand failure to disclose all information as requested may result in license denial. If for any reason the \$10,000 surety bond, ILOC or insurance is canceled, notify the Board immediately to prevent formal disciplinary action taken, as license is considered invalid. Any change, including address, requires notification within 30 days. Further, I affirm I am over 18 years of age and read the law, rules and regulations, which may be obtained by the Board office or website.

Signature	Print Name	Date
Signature	Print Name	Date

*Attachments required on questions as referenced above

19. Reference & Experience Information (T.C.A. § 62-6-506)

The law requires providing a list of list of home improvement experience. Please list below and identify below the capacity in which the owner(s) of the business was employed as one of the following: **Contractor; Subcontractor; or Employee;** and also provide the total project cost as the **contract** amount. Include contact information for staff to verify experience from employer, customer or supervisor. Note: Sales does not qualify as home improvement experience. May provide an attachment or resume; an employee should provide their supervisor's name.

Type of Work Experienced to Perform:

Painting; Roofing; Swimming Pool; Porch/Deck/Garage; Gutters/Siding; Other: _____
 Fencing; Driveway; Room Addition; Landscaping; Windows/Doors;
 Masonry; Concrete; Foundations; Site Work; Framing
 HVAC; Electrical; Plumbing; Ins. Restoration Room Additions
 Remediation; Lead Paint Asbestos Mold Meth

#1. Employed as: Contractor Subcontractor Employee of Contractor Sales

Name of Employer; or
Customer: _____ Date: _____ to _____ Avg. Contract \$ _____

Address: _____

Telephone: _____ Email: _____

Type of Work Performed: _____ Supervisor: _____

#2. Employed as: Contractor Subcontractor Employee of Contractor Sales

Name of Employer; or
Customer: _____ Date: _____ to _____ Avg. Contract \$ _____

Address: _____

Telephone: _____ Email: _____

Type of Work Performed: _____ Supervisor: _____

#3. Employed as: Contractor Subcontractor Employee of Contractor Sales

Name of Employer; or
Customer: _____ Date: _____ to _____ Avg. Contract \$ _____

Address: _____

Telephone: _____ Email: _____

Type of Work Performed: _____ Supervisor: _____

#4. Employed as: Contractor Subcontractor Employee of Contractor Sales

Name of Employer; or
Customer: _____ Date: _____ to _____ Avg. Contract \$ _____

Address: _____

Telephone: _____ Email: _____

Type of Work Performed: _____ Supervisor: _____

#5. Employed as: Contractor Subcontractor Employee of Contractor Sales

Name of Employer; or
Customer: _____ Date: _____ to _____ Avg. Contract \$ _____

Address: _____

Telephone: _____ Email: _____

Type of Work Performed: _____ Supervisor: _____

20. Environmental Certifications (If *yes, attach copy of certifications):

*Yes No – Does not perform environmental remediation, such as lead based paint; asbestos; or meth.

21. Licenses from other Agencies/States (TCA § 62-6-506):

This page is optional; only applies to those who checked "Yes" on page 2 for questions 3 and 13; and if you resided at the address listed on page 1 for less than one year.

1. Please list all other trade licenses held in all states:
 ___ - See list of licenses as follows with history
 ___ - No other licenses have been obtained in Tennessee or any other state
 ___ - Not Applicable (Checked "No" on question #3, page 2)

NAME ON LICENSE	STATE	LIC#	TYPE	EXP. DATE	DISCIPLINED (Yes/No)

Business Locations/Headquarters

2. Please provide information on other similar businesses; locations or headquarters (including locations other than in Tennessee). ___Listed Below ___See Attachment ___Not Applicable (answered "No" on question #13, page 2)

Business Name	Address

Prior Address (Physical and Mailing Address) (See T.C.A. § 62-6-506):

3. If business address listed on page one (1) is *less than one year, please list prior address:
 *Not applicable - Resided more than one (1) year at location listed on page "1"

INSTRUCTIONS/CHECK-LIST

1. _____ Answer all questions in the application (pages 1 – 4; and 13) and supply *attachments
- _____ License “Name” should be as you operate; must be the same name as your bond and insurance.
_____ Check our website at: <http://verify.tn.gov/> to ensure the business name is not similar to others licensed.
_____ *Attach a copy of a photo ID (driver’s license of each owner/officer); attach page 13

2. _____ Attach explanation to items answered “Yes” and any other required additional information:

Attachments

- _____ Additional Owners / Office Locations - (questions 2, 11, and 13)
- _____ License Lists of Owners/Officers (question 3 – page 4)
- _____ Explanation of Revoked/Suspended Licenses (question 4)
- _____ Explanation of Lending Company (question 5)
- _____ Explanation of Felony Conviction (question 6)
- _____ Explanation of Judgments (question 7)
- _____ Explanation of Complaints / Violations (question 8)

3. _____ \$10,000 Proof of Financial Responsibility Attached (one of the following)
- _____ *Surety Bond (Must sign as principal - Include Power of Attorney) from Insurance company – see page 6)
 - _____ Cash Bond (contact bank or attorney for drafting)
 - _____ Property Bond (contact an attorney for drafting)
 - _____ *Irrevocable Letter of Credit (ILOC) (from bank – Board’s exact format- see page 7)

***Surety Bond and ILOC Must be in the exact format as provided (see pages 6-7) . There are no sample forms for “property or cash bonds”, as they need to be specially prepared from another source, such as an attorney or the bank. Note: These cannot be released for at least one (1) year!**

4. _____ Corporations and LLCs

_____ Attach copy of Charter or the Articles of Organization to show proof of the real and true owner(s,) pursuant T.C.A. § 62-6-502.
_____ Attach proof of registration with the Secretary of State, in the same **name** as on the bond (which is how you must operate). http://tn.gov/sos/bus_svc/corporations.htm

5. _____ Check with IRS to see if required - FEIN Tax ID number: <https://sa1.www4.irs.gov/modiein/individual/index.jsp>

6. _____ Experience and Reference List - Please include a list (page 3); or may attach resume(s) providing same information. (Note: If no current experience is provided, a license cannot be approved)

7. _____ Insurance Attached (see page 8 and 9 for format): General Liability Workers’ Comp (Coverage in Tennessee)
- May verify WC coverage at: <https://www.ewccv.com/cvs/>

8. _____ Fee – **\$250.00** - Two (2) year biennial license. Attach a check or money order (no cash), made payable to “**State of Tennessee**” and mail to:

**Board for Licensing Contractors – HI
500 James Robertson Parkway
Nashville, TN 37243-1140**

If hand delivering application, take to the “Cashier’s Accounting Office” located at the mailing address listed above (11th Floor of the Davy Crockett Tower). The Board office cannot accept fees at their physical location (710 James Robertson Parkway, 3rd Floor Andrew Johnson Tower.) Keep a copy of the application for your records! Status of application receipt and status is available at the “License Search” on the website at: <http://verify.tn.gov/>

9. _____ License Issuance – Requires Board approval and in most cases, a routine license may be processed within two weeks. For those requiring full Board review, see “Public Meeting Calendar” on the website for schedule. Deadline to submit application for full Board review is the 20th of the month prior to the meeting. If you are requesting emergency issuance of a license, you may supply a written request, however, time must be allowed for staff to process. *Warning: If you operated work when a license was required, a complaint for unlicensed activity may prevent license approval.*

10. _____ Register your email address for important notices of law and rules changes at: <http://regbdlist.tennessee.gov/>
- Due to the cost of postage, notices are sent by email



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TENNESSEE HOME IMPROVEMENT CONTRACTOR'S SURETY BOND

Bond # _____

BE IT KNOWN, that we _____
 (Name as to be on License)

of _____,
 (Mailing and Physical Address)

as principal, and _____
 (Name of Surety Company)

as surety, are held and firmly bound unto the State of Tennessee, for the benefit of all owners, as defined by *Tennessee Code Annotated*, Title 62, Chapter 6, undertaken by the principal in the full and just sum of ten thousand dollars (\$10,000.00) for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above bounden principal has applied to the Tennessee Board for Licensing Contractors for a license as a Home Improvement Contractor; and

WHEREAS, under the provisions of Public Chapter 460, Title 62, chapter 6, Section 506 of Tennessee Code Annotated, and as amended, the principal is required to file this bond in order to obtain said license.

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION ARE SUCH that, if the above bounden principal shall comply in all respects with Title 62, Chapter 6, of Tennessee Code Annotated, and the regulations promulgated thereto, then this obligation shall be void otherwise to remain in full force and effect.

PROVIDED, HOWEVER, this bond may not be construed to require the surety to be responsible for the completion of any home improvement contract entered into by the principal on this bond.

PROVIDED, FURTHER, this bond may not be construed to require the surety to be responsible for damages arising from any breach of a home improvement contract, if such contract was entered into after the inactivation, expiration or revocation of the contractor's license.

This bond shall become effective on the _____ day of _____, 20____, and shall be continuous; however, each annual renewal period or portion thereof shall constitute a new bond term. Regardless of the number of years this bond may remain in force, the liability of the surety SHALL not be cumulative, and the aggregate liability of the surety for any and all claims, suit or action under this bond shall not exceed the sum of \$10,000.00. The surety may cancel this bond by giving thirty (30) days notice to the Tennessee Board for Licensing Contractors and principal by certified mail of such cancellation, it being understood that surety shall not be relieved of liability that may have accrued under this bond prior to the date of cancellation.

Witness our hands and official seals this _____ day of _____, 20_____.

 NAME OF COMPANY (As to be Licensed)

 NAME OF SURETY

*X

 SIGNATURE OF PRINCIPAL (Contractor)

 ADDRESS OF SURETY

DATE: _____

 NAME OF SURETY AGENT

(SEAL)

 SIGNATURE OF SURETY AGENT

 ADDRESS OF SURETY AGENT

THIS BOND IS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF PUBLIC CHAPTER 460; OF *TENNESSEE CODE ANNOTATED*. SHOULD THERE BE ANY CONFLICT WITH THE TERMS THEREOF, AND THE STATUTE, THE STATUTE OR REGULATION SHALL PREVAIL. (POWER OF ATTORNEY FROM AN APPROVED INSURANCE COMPANY MUST BE ATTACHED.)

*Contractor – Please sign above as “principal” before submitting to the Board!

Bond cannot be released for one (1) year as follows: after expiration of license; or replacement of other financial responsibility.

SAMPLE - IRREVOCABLE LETTER OF CREDIT

(This form MAY be supplied in lieu of the \$10,000 Surety Bond)

(NOTICE: It must remain on file for one (1) year after the license expiration or inactivation)

State of Tennessee
Board for Licensing Contractors
Home Improvement Section
500 James Robertson Pkwy.,
Nashville, TN 37243-1150

RE: Irrevocable Letter of Credit No. _____
Effective Date: _____
Expiration Date: _____

Board:

You have requested of (Name of Lending Institution) that we establish an irrevocable letter of credit which will remain available to (Applicant) for use in conducting home improvement residential remodeling business for which a license is being sought from the Tennessee Board for Licensing Contractors (Board).

We hereby establish an irrevocable letter of credit for these purposes in the amount of (Dollar Amount) which will be maintained for a period of one year from the date of license issuance, subject to no adverse change in your financial condition.

As a condition of this arrangement, it is our understanding you will inform us and the Board of any significant changes in your financial condition during the term of this commitment.

(Name of Lending Institution) may cancel this letter of credit by giving thirty (30) days written notice to the Board and licensee by certified mail, of such cancellation, it being understood that the lender shall not be relieved of liability that may have accrued under this letter of credit prior to the date of cancellation and that claims which arise during the effective period may be filed up to one year after this letter of credit expires.

Except so far as otherwise stated, this documentary credit is subject to the "Uniform Customs and Practice for Documentary Credits" fixed by the International Chamber of Commerce applicable at the date of this letter.

Yours truly,

(Bank Officer) (Date)

(Lending Institution)

Instructions

In order to obtain a Home Improvement license, the applicant must supply a form of financial responsibility in the form of a bond or this option, an Irrevocable Letter of Credit (ILOC) in the Board's exact format, and from an FDIC approved bank, savings and loan. For further clarification, contact the Board office at: 800-544-7693 or review our website at: <http://www.tn.gov/commerce/boards/contractors/> It cannot be released for one (1) year after license is inactivated.

Not Applicable
(WC Insurance or Exemption
Attached for each owner)

Workers' Compensation Insurance - Coverage Determination Questionnaire

(This questionnaire is required, only, if NOT submitting proof of workers' comp insurance coverage for Tennessee)

The following questionnaire has been developed to assist licensees and our staff to determine whether proof of workers' compensation (WC) insurance coverage or exemption requirements have been fulfilled for the purpose of obtaining a home improvement license. This is based upon changes in the law on March 1, 2011, Public Chapter 1149; and amendments of Public Chapter 422, effective October 1, 2011. Please check with your insurance carrier and/or the Department of Labor and Workforce Development to ensure you are properly covered or exempted. The Board does not regulate this law and only checks for licensing purposes. In addition, ensure your employees are not misclassified as independent contractors.

Employers have the option to supply proof of coverage or exemption on themselves. This option is not available to the employee; therefore, the employer must always carry coverage on their employee(s). A provision allows an employer with up to five (5) individuals as an **owner, officer, partner or LLC member** to be exempt from coverage by registering each owner/officer with the Tennessee Secretary of State as a **"Construction Services Provider"**. In some cases, the employer may be exempt from registering or covering themselves. However, corporations must provide one or the other. As always, check with your insurance agent to make sure you are properly protected and insured on a project. Also, you may check with the Department of Labor and Workforce Development's office: <http://www.tn.gov/labor-wfd/wcomp.html>

To register online as a **"Construction Services Provider"** for exemption with Tennessee Secretary of State's office, go to: <http://tnbear.tn.gov/wc/> or you may call at (615) 741-2286.

Home Improvement Contractor's License WC Questionnaire

1. If you check the **ONE** item below, **NOT EXEMPT**; must submit proof of **"Workers' Compensation Insurance"**
(Questionnaire is not required when submitting proof of insurance coverage – must ensure with insurance agent each owner/officer is also covered)

___ - One or More Employees – Must provide proof of Workers' Compensation coverage for Tennessee

❖ *Note: As an employer, the owner(s) or officer(s) may need to register with the Secretary of State should they not want to be covered under their current policy. Always check with your insurance company or the Department of Labor and Workforce Development to confirm whether you need to apply for an exemption.*

2. If you check **ALL** of the following, considered **EXEMPT** from submitting "Workers' Compensation Insurance" and must attach **"Construction Services Provider"** proof of registration. More information at: <http://tnbear.tn.gov/wc/>

___ - No Employee(s) on payroll; subcontractors hired to perform the work
___ - All owners/officers/members/partners are registered as a "Construction Services Provider", as required (see attached)
___ - Does not meet the criteria in section "3" below; see attached for registration for each owner/officer on license

(Note: Partnerships, who have not registered with the Secretary of State's "Corporate" section, must do so to obtain a "Control #")

3. If you check **ALL** of the following, you are **EXEMPT** from supplying "both" **Proof of Insurance** and **"Construction Services Provider"** registration, as a condition of licensure with the Board (always check with your insurance company or the Department of Labor to confirm):

___ - No Employees on payroll; and no Subcontractors hired to perform work
___ - Mode of Operation is: Sole Proprietor; Partnership; or LLC (Note: Corporations do not qualify to be exempt from "both")
___ - Perform the work directly for the property/project owner

4. Other: If considered **EXEMPT** from **BOTH** "Workers' Compensation Insurance" and registration as a "Construction Services Provider", please provide explanation or confirmation from the Department of Labor and Workforce Development:

___ - Exempt due to: _____

5. Signature of Authorized individual completing questionnaire for licensing.

X _____ Title: _____ Date: _____

For more information concerning the Workers' Compensation law relative to requirements, exemptions, definitions, the amount of exempt contractors allowed on a project, penalties, etc., please refer to the website of the Department of Labor and Workforce Development at: <http://www.tn.gov/labor-wfd/wcomp.html> To register for an exemption, go to: <http://tnbear.tn.gov/wc/>

NOTICE: Please check with your insurance carrier to ensure you are properly exempted or covered when obtaining minimum coverage to prevent paying penalties at the time of their audit.

SUPPLEMENTAL INFORMATION

(Note: Please keep supplemental information pages as guidance and part of your license records)

Pursuant T.C.A. § 62-6-111, all contractors must provide proof of **General Liability** (GL) insurance and in the format listed below (*there are no exemptions for GL coverage*). In addition, proof of **Workers' Compensation** insurance coverage for Tennessee or **exemption** must be supplied. (*Note: The law allows exemption to the owner(s)/officer(s) of the entity pursuant T.C.A. § 50-6-902(4).*) Licenses cannot be issued or renewed without supplying the required proof of insurance coverage or exemption

1) GENERAL LIABILITY

A "Certificate of Insurance" in the Board's required format and limits of coverage must be attached to the application. The Board has established the *minimum* amount of **coverage of \$100,000** to obtain general liability, however, please check with your insurance provider, as they may advise to apply for more or additional coverage, based upon your individual needs, risks and the number of projects. (*Note: Many insurance companies may have a minimum starting at \$300,000.*)

2) WORKERS' COMPENSATION

The law requires those in the construction industry to supply coverage for every employee. You must supply a "Certificate of Insurance" showing proof of Workers' Compensation (WC) coverage for Tennessee. If you have no employees; and licensed as a sole proprietor, partnership or LLC; do not hire subcontractors, you may obtain an exemption as the owner/employer for coverage. This law is regulated by the Department of Labor and Workforce Development and more information is available at: <http://www.tn.gov/labor-wfd/wcomp.html>

Law became effective March 1st, and amendments of Public Chapter 422 became effective October 1, 2011, to provide additional exemptions to owners and officers as the employer, who may elect not to be covered by WC insurance, or they may register to obtain an exemption from both requirements. **Corporations** must supply proof of coverage; or they may apply for an exemption; not exempt from both (*similar to the former I-6 exemption form*). Registration for an exemption is available online at: <http://tnbear.tn.gov/wc/>

T.C.A. § 50-6-102(10) (A) "Employee" includes every person, including a minor, whether lawfully or unlawfully employed, the president, any vice president, secretary, treasurer or other executive officer of a **corporate** employer without regard to the nature of the duties of the corporate officials, in the service of an employer, as employer is defined in subdivision (11), under any contract of hire or apprenticeship, written or implied."

Format for Proof of Insurance

The Board requests a **Certificate of Insurance** (*available from your insurance agency*) which lists a **policy number** (*not binder or account number*), a **beginning and expiration date**, and **limits** of the insurance. The **name on the license** must match the **name in the insured box**. The "Contractor's Board" must be listed as the certificate holder for the insurance company to notify of any cancelation.

Limits required to be listed on Certificate of Insurance for General Liability

The following information should be provided on the "Certificate of Insurance":

- Each occurrence (this value must comply with minimum requirements listed above)
- Damage to Rented Premises (each occurrence)
- Medical Expense (any one person)
- Personal & Adv Injury
- General Aggregate
- Products- comp/op agg

Submitting Proof of Insurance (*Please do not send separately*)

Always attach proof of insurance to the application form. Do **not** send a "Certificate of Insurance" **separate**. If for any reason your insurance is changed while the license is active, you must notify the Board. Otherwise, the license may be made inactive if we receive a cancelation notice. Always supply with a cover letter with the license ID# or attach to the "**Notice of Insurance**" (*form from our website*) stating the purpose, otherwise, it is scanned to add to the master file.

Employer Handbook/Resources

The Department of Labor and Workforce Development has many publications available from their website, including employer guidelines for insurance (workers' comp/unemployment); safety; etc. at: <http://www.tn.gov/labor-wfd/index.shtml>

CONTRACT GUIDELINES - INFORMATION

The contractor's law for home improvement requires the following to be provided in all contracts:

- (1) Contracts must be in legible writing and contain the complete agreement between the owner and the home improvement contractor;
- (2) State the full names and addresses of all parties, the license number of the home improvement contractor, the date when executed by the parties and contain a description of the work to be done and the goods to be used;
- (3) Be completed in full without any blank spaces to be filled in after the contract is signed by the owner and clearly describe any other documents which are to be incorporated, and shall contain the following notice directly above the space provided for the signature of the owner: "NOTICE TO OWNER: Do not sign this contract if blank. You are entitled to a copy of the contract at the time you sign";
- (4) Contain the approximate dates when the work will begin and be substantially completed;
- (5) Contain the agreed upon consideration for the work;
- (6) Contain a notice that all home improvement contractors must be licensed by the board and that any inquiries about a contractor should be transmitted to the board's office;
- (7) Contain all other matters upon which the parties lawfully agree;
- (8) Not contain any power of attorney to confess judgment. No sales person, agent or employee of the home improvement contractor shall be authorized to make any changes in the agreement on behalf of the owner;
- (9) Before accepting more than 1/3 down payment prior to contracting, must include disclosure in written contract and schedule of payments; and
- (10) Must operate and advertise in the name as licensed; must reference license number.
- (11) **NEW!** Roofers paid by insurance claims must add the right to cancel in contract ([see Public Chapter 821](#))
[July 1, 2012 - Public Chapter 821 - Consumer Protection with Roofing Contracts](#) - Consumers will have the right to cancel a roofing contract within three (3) days after a claim is denied by the insurance company. Roofing contractors whose work is covered by insurance will need to include specific language in their contracts to this effect. A roofer would not need a separate license with the Insurance Division unless they want to also do business as a "[Public Adjuster](#)" as defined by T.C.A. § 56-6-902.

The above is an abbreviated list of the home improvement law. Please review in it's entirety by requesting a copy from the Board office or download from the website at <http://www.tn.gov/commerce/boards/contractors/index.shtml>

Acts Prohibited

NEW! Effective July 1, 2010 - Public Chapter 1055 – Felony/Criminal Violation for home improvement services providers when accepting payment without completing work, etc. [TCA § Titles 39, 47, and 62].
Review from our website at: <http://state.tn.us/sos/acts/106/pub/pc1055.pdf>

T.C.A. § 62-6-133, prohibits home improvement contractors from having a controlling ownership in the lender providing a mortgage loan or from acting as a co-signer for home improvement work. Violation of this law is considered an unfair or deceptive act under the Consumer Protection Act, pursuant title 47, chapter 18, part 1 and may result in civil penalties up to \$25,000. <http://www.tn.gov/commerce/boards/contractors/law.shtml>

Local Government / Municipality's Licensing and Permits

Always check with the local codes or permit office for their requirements and inspections. The home improvement license does not cover electrical or plumbing or any residential work of \$25,000 or more (state contractor's license required). Note: An additional permit bond may be required by local codes offices. <http://tn.gov/local/> Pursuant T.C.A. § 62-6-137, the permit must be obtained by the prime contractor; the one contracting directly with the owner. A subcontractor is one who contracts directly with the prime contractor, and not the homeowner.)

You may check the status of a home improvement license from our website or at: <http://verify.tn.gov/>

RESOURCES

- Rule updates are available online at: <http://www.state.tn.us/sos/rules/0680/0680.htm>
(Home Improvement Section is under 0680-7)
- The law may be reviewed at the Board's website at: <http://www.tn.gov/commerce/boards/contractors/index.shtml>
(Home Improvement section is under Title 62, Chapter 6 and Part 5 (T.C.A. § 62-6-501))

- Register your email address to receive important notices of law and rules changes at: <http://regbdlst.tennessee.gov/>
- Workers' Compensation Requirements: <http://www.tn.gov/labor-wfd/wcomp.html>
- Workers' Compensation Exemption Registration (Owner/Employer): <http://tnbear.tn.gov/wc/default.aspx>
- Local Government Contact Information (City and County): <http://www.tn.gov/local/>
- Other Regulatory Boards: <http://www.tn.gov/commerce/boards/index.shtml>
- Tennessee Secretary of State (Corporate Registration): http://tn.gov/sos/bus_svc/corporations.htm
- One Stop Tax (Business Tax Licenses for each City/County): <https://apps.tn.gov/bizreg/>
- Department of Revenue: <http://tn.gov/revenue/>
- Internal Revenue Service for FEIN#: <https://sa1.www4.irs.gov/modiein/individual/index.jsp>
- Employee vs. Subcontractor - Definition: <http://www.tn.gov/labor-wfd/wcfaq.html>
- Unemployment Insurance: <http://www.tn.gov/labor-wfd/Employers/employers.html>

WEATHERIZATION ASSISTANCE PROGRAM (WAP)

For details on becoming certified as a weatherization contractor, contact the Department of Human Services at: <http://tn.gov/wap/>

LEAD ABATEMENT

Lead abatement remodelers are required to be certified through the Department of Environment and Conservation and may be contacted at 1-888-871-5323 or their web site at: <http://www.tn.gov/environment/swm/leadpaint/>

Quick facts on EPA's Renovation Repair and Painting (RRP)

Fully effective on April 22, 2010 - Firms must be certified, workers must be trained, and follow specific lead-safe work practices for work performed in pre-1978 homes and child-occupied facilities, if lead paint is disturbed, impacts general contractors, carpenters, painters, electricians, plumbers, "handymen", window and door replacement crews, etc.

Time Line for Lead Abatement Requirements

- Now – Contractors that disturb paint in buildings built prior to 1978 must distribute EPA's new Renovate Right brochure, (Renovate Right is available at www.epa.gov/lead/pubs/renovaterightbrochure.pdf).
- Summer 2009 – Appropriate staff can take training course to become certified, once trainers are accredited.
- October 2009 – Firms can apply for EPA or state certification.
- April 2010 – Businesses engaged in renovation, repair or painting activities in buildings built prior to 1978 must be certified, use trained workers, and follow specific lead-safe work practices to prevent lead contamination.

For more information, the Environmental Protection Agency's website is at: www.epa.gov/lead

Please check with the Department of Environment and Conservation relative to requirements environmental or hazardous material removal. Their websites are at:

MOLD REMEDIATION

<http://health.state.tn.us/Environmental/mold.htm>

METH CLEANUP

<http://tennessee.gov/environment/dor/pdf/FAQcontractors.pdf>

ASBESTOS ABATEMENT

<http://tennessee.gov/environment/swm/asbestos/>

STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
REGULATORY BOARDS DIVISION
500 JAMES ROBERTSON PARKWAY
DAVY CROCKETT TOWER
NASHVILLE, TENNESSEE 37243

Eligibility Verification for Entitlements Act Attestation Instructions

INSTRUCTIONS: If you are a natural person applying for a license, registration, certification or other benefit you must:

1. Attest, under penalty of perjury, to your status as either a United States citizen, a qualified alien as defined in Tennessee's Eligibility Verification for Entitlements Act, or a foreign national not physically present in the United States, by selecting your status in Part A below signing on the line labeled "Applicant's Signature," printing your name on the line labeled "Printed Name" and putting the current date on the line labeled "Date."

AND

Do one (1) of the following:

2. If you are claiming United States citizenship, present one (1) of the forms of identification provided for in Part B below. **If you provided your Social Security Number as part of your application for licensure, registration, certificate or other benefit, no additional documentation is required; however, please be aware that efforts may be made to verify any such number.**
3. If you are claiming qualified alien status, present two (2) forms of documentation of identity and immigration status, as determined by the United States Department of Homeland Security to be acceptable for verification through the SAVE program, as provided in Part C below.
4. If you are claiming qualified alien status but you are unable to present two (2) forms of documentation provided for in Part C of this form, then you shall present at least one (1) such document that shall then be verified through the SAVE program.
or
5. If you are claiming you are foreign national not physically present in the United States, contact the program issuing the license, registration, certification or other benefit for which you are applying to provide such documentation as may be required to verify such status.

Eligibility Verification for Entitlements Act Attestation

Part A. Eligibility Verification for Entitlements Act Attestation

I hereby attest under penalty of perjury that I am (select one):

_____ A United States citizen;

_____ A qualified alien as defined in Tenn. Code Ann. § 4-58-102;1

_____ A foreign national not physically present in the United States. Further, I understand that should I ever become physically present in the United States while I hold this license, registration, certification or other benefit I agree to immediately contact the issuing agency and provide documentation to confirm my status as a qualified alien.

Applicant's Signature

Printed Name

Date

Submitting false information or omitting pertinent or material information in connection with this application or any violation of the Eligibility Verification for Entitlements Act may result in the revocation of any license, registration, certification or other benefit issued to the applicant. A person who willfully makes a false, fictitious or fraudulent statement or representation of United States citizenship may be prosecuted under 18 U.S.C. § 911 and/or the False Claims Act, T.C.A. §§ 4-18-101, *et seq.*

¹ Qualified alien means "A qualified alien as defined by 8 U.S.C. § 1641(b)" or "An alien or nonimmigrant eligible to receive state or local public benefits under 8 U.S.C. § 1621(a)." Pursuant to those statutes, this includes, but is not necessarily limited to:

- An alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act [8 U.S.C. § 1101 *et seq.*];
- An alien who is granted asylum under section 208 of the Immigration and Nationality Act [8 U.S.C. § 1158];
- A refugee who is admitted to the United States under section 207 of the Immigration and Nationality Act [8 U.S.C. § 1157];
- An alien who is paroled into the United States under section 212(d)(5) of the Immigration and Nationality Act [8 U.S.C. § 1182(d)(5)] for a period of at least 1 year;
- An alien whose deportation is being withheld under section 243(h) of the Immigration and Nationality Act [8 U.S.C. § 1253] (as in effect immediately before the effective date of section 307 of division C of Public Law 104-208) or section 241(b)(3) of the Immigration and Nationality Act [8 U.S.C. § 1231(b)(3)] (as amended by section 305(a) of division C of Public Law 104-208);
- An alien who is granted conditional entry pursuant to section 203(a)(7) of the Immigration and Nationality Act [8 U.S.C. § 1153(a)(7)] as in effect prior to April 1, 1980;
- An alien who is a Cuban and Haitian entrant (as defined in section 501(e) of the Refugee Education Assistance Act of 1980);
- A nonimmigrant under the Immigration and Nationality Act [8 U.S.C. §§ 1101, *et seq.*];
- An alien who is paroled into the United States under section 212(d)(5) of the Immigration and Nationality Act [8 U.S.C. § 1182 (d)(5)] for less than one year.

Eligibility Verification for Entitlements Act Additional Required Documentation

Part B. If you are claiming United States citizenship, you must present one (1) of the following:

- A valid Tennessee driver license or photo identification license issued by the Department of Safety;
- A valid driver license or photo identification license from another state where the issuance requirements are at least as strict as those in Tennessee, as determined by the Department of Safety;
- An official birth certificate issued by a state, jurisdiction or territory of the United States, including Puerto Rico, United States Virgin Islands, Northern Mariana Islands, American Samoa, Swains Island, or Guam; provided that Puerto Rican birth certificates issued before July 1, 2010, shall **not** be recognized;
- A United States government-issued certified birth certificate;
- A valid, unexpired United States passport;
- A United States certificate of birth abroad (DS-1350 or FS-545);
- A report of birth abroad of a citizen of the United States (FS-240);
- A certificate of citizenship (N560 or N561);
- A certificate of naturalization (N550, N570 or N578);
- A United States citizen identification card (I-197, I-179);
- Any successor document of those listed at Tenn. Code Ann. §§ 4-58-103(c)(4)-(9); or
- **A social security number that may be verified with the Social Security Administration in accordance with federal law (if you provided your social security number as part of your application for licensure, no additional documentation is required; however, please be aware that efforts may be made to verify any such number).**

Part C. If you are claiming qualified alien status, you must present two (2) forms of documentation of identity and immigration status, as determined by the United States Department of Homeland Security to be acceptable for verification through the SAVE program. Such forms of identification may include:

- I-327 (Reentry Permit);
- I-551 (Permanent Resident Card);
- I-571 (Refugee Travel Document);
- I-766 (Employment Authorization Card);
- Certificate of Citizenship;
- Naturalization Certificate;
- Machine Readable Immigrant Visa (with Temporary I-551 Language);
- Temporary I-551 Stamp (on passport or I-94);
- Unexpired Foreign Passport;
- WT/WB Admission Stamp in Unexpired Foreign Passport
- I-20 (Certificate of Eligibility for Nonimmigrant (F-1) Student Status);
- DS-2019 (Certificate of Eligibility for Exchange Visitor (J-1) Status);
- Any other document determined by the U.S. Department of Homeland Security to be acceptable through the Systematic Alien Verification for Entitlements (SAVE) program created pursuant to the federal Immigration Reform and Control Act of 1986.

Part D. If you are claiming qualified alien status, but you are unable to present two (2) forms of documentation as described in Part C, then you shall present at least one (1) such document as described in Part C, which shall then be verified through the SAVE program.

Part E. If you are claiming that you are a foreign national not physically present in the United States, please contact the program issuing the license, registration, certification or other benefit for which you are applying to provide such documentation as may be required to verify such status.

TENNESSEE BOARD FOR LICENSING CONTRACTORS



HOME IMPROVEMENT CONTRACTORS LICENSE LAW RULES AND REGULATIONS

(Law – See pages 1 – 10)
(Rules – See Attachment - Pages 1 - 5)

Note: Keep these pages for your records and guidance.

PART 5
Home Improvement Contractors - Law

62-6-501. Part definitions.

As used in this part, unless the context otherwise requires:

- (1) “Actual loss” means amounts paid or payable for the cost of restoration, repair, replacement, or completion of work performed in a poor or unworkmanlike manner or that is otherwise inadequate or incomplete;
- (2) “Board” means the state board for licensing contractors;
- (3) “Claimant” means an owner who:
 - (A) (i) Resides in a residence or dwelling unit with respect to which a claim is made; or
(ii) Owns not more than four (4) residences or dwelling units; and
 - (B) Makes a claim against the bond;
- (4) (A) “Home improvement” means the repair, replacement, remodeling, alteration, conversion, modernization, improvement, or addition to any land or building, or that portion of the land or building, that is used or designed to be used as a residence or dwelling unit for one (1), two (2), three (3), or four (4) dwelling units, and includes the construction, replacement, or improvement of driveways, swimming pools, porches, garages, landscaping, fences, fall-out shelters, roofing, painting and other improvements to structures or upon land which is adjacent to a dwelling house for one (1), two (2), three (3), or four (4) dwelling units. Without regard to the extent of affixation, “home improvement” includes the installation of central heating or air conditioning systems, storm windows, or awnings;
 - (B) “Home improvement” does not include:
 - (i) The construction of a new home building or work done by a contractor in compliance with a guarantee of completion of a new building project;
 - (ii) Any home improvement for which the contract price is three thousand dollars (\$3,000) or less;
 - (iii) The sale of goods or materials by a seller who neither arranges to perform nor performs directly or indirectly any work or labor in connection with the installation of or application of the goods or materials, including the incidental installation of the goods or materials; provided, that the installation does not involve alterations to the structure of the building or its plumbing or wiring;
 - (iv) Any replacement, installation, or connection of appliances to existing exposed plumbing lines that requires alteration of the existing lines;
 - (v) The replacement, installation, and connection of dishwashers, disposals, and refrigerators with icemakers to existing exposed household plumbing lines, or dryers; or
 - (vi) The replacement, installation, and connection of dryers; or
 - (vii) Interior design services that are services in connection with the design, utilization, furnishing, or fabrication of elements in interior spaces of buildings and related structures and includes, without being limited to, any or all of the following:
 - (a) Identifying, researching or creatively solving problems pertaining to the function and quality of interior space;
 - (b) Performing services to include consultations, programming, design analysis, drawings, specifications, and installations in connection with space utilization, the

specification of fixtures and their location, furnishings, reflected ceiling plans, and the fabrication of nonstructural elements of interior spaces of buildings, excluding those services specified by law to require other licensed professionals, such as the design of mechanical, plumbing, electrical and load-bearing structural systems; and

(c) Preparing drawings and documents relative to the design of interior spaces;

(5) "Home improvement contract" means an agreement between a contractor and an owner for the performance of home improvement, and includes all labor, services and materials to be furnished and performed under the agreement;

(6) "Home improvement contractor" means any person, other than a bona fide employee of the owner, who undertakes or offers to undertake or agrees to perform any home improvement for the owner, whether or not the person is licensed or subject to the licensing requirements of this chapter;

(7) "Licensee" means a person licensed to engage in the home improvement business under the provisions of this part;

(8) "Owner" means any homeowner, tenant, or any other person who orders, contracts for or purchases the home improvement services of a contractor, or the person entitled to the performance of the work of a contractor pursuant to a home improvement contract;

(9) "Person" includes an individual, partnership, corporation, trust, association, owner, contractor, salesperson or any other legal entity; and

(10) "Subcontractor" means any person other than a materialman or laborer who enters into a contract with a contractor for the performance of any part of the contractor's contract, or who enters into a contract with any subcontractor for the performance of any part of the subcontractor's contract, and who does not perform work other than as a subcontractor.

62-6-502. Prohibited activities.

(a) No person may engage in or transact any home improvement business, or represent to the public as doing home improvement business, or offer to transact any home improvement business in this state, except in compliance with the applicable provisions of this part. No person, whether subject to licensing by any law or otherwise, may engage in this state in any trade practice or other act that is prohibited by this part. Every person who willfully participates in a prohibited act or violation with knowledge of the same is subject to the criminal penalty for the prohibited act or violation. The provisions of this part may not be waived by agreement.

(b) (1) No person shall maintain, own, operate or transact a home improvement business unless a License is first obtained as prescribed in this part.

(2) An applicant for a home improvement contractor's license shall establish that the applicant is the real owner and possesses title to, or is entitled to, the possession of the establishment, and will conduct, operate, engage in and transact a home improvement business.

62-6-503. Local licensing prohibited - License number required for permitting - Treble damages.

(a) No county or municipality of this state may require that any person obtain an additional authorization or license to transact a home improvement business in that county or city. Nothing contained in this subsection (a) prohibits counties, municipalities or metropolitan governments from requiring licenses for persons performing plumbing work, electrical work or gas and mechanical work.

(b) A license issued pursuant to this part may not be construed to authorize the licensee to perform any particular type of work or kind of business that is reserved to qualified licensees under separate provisions of state or local law.

(c) Nothing in this part may be construed to limit or restrict the power of a municipality or county to regulate the quality, performance, or character of work of home improvement contractors, including a system of permits and inspections that are designed to secure compliance with and aid in the enforcement of applicable state and local building laws, or to enforce other laws necessary for the protection of the public health and safety. Nothing in this part limits the power of a municipality or county to adopt any system of permits requiring submission to and approval by the municipality or county of plans and specifications for an installation prior to the commencement of construction of the installation or of inspection of work done; provided, that nothing in this section may be construed as authorizing a municipality or county to enact ordinances or regulations relating to the qualifications necessary to engage in the home improvement business. Nothing contained in this section prohibits counties, municipalities or metropolitan governments from requiring licenses for persons performing plumbing work, electrical work or gas and mechanical work.

(d) Except for a permit for any home improvement work to be performed by the owner of property, a municipality or county may not issue a permit for any home improvement work unless the permit lists each contractor's home improvement license number.

(e) Any person subject to this part who engages in construction or the home improvement business without a license shall, in any tort action arising out of the construction or home improvement business, be subject to the awarding of treble damages.

62-6-504. Exemption from licensing requirements

(a) No license may be issued or become effective until the applicant pays all required fees as set by the board for licensing contractors. The biennial license fee shall not exceed two hundred fifty dollars (\$250).

(b) The fee for issuing a duplicate license for one lost, destroyed or mutilated shall be set by the board.

(c) The fee for copies of documents on file in the commissioner's office is two dollars (\$2.00) per page.

62-6-505. Exemption from licensing requirements

(a) No home improvement contractor's license may be required of any person when acting in the particular capacity or particular type of transaction set forth in this section:

(1) An individual who performs labor or services for a home improvement contractor or subcontractor for wages or salary;

(2) A plumber, electrician, architect or any other person who is required by state or local law to attain standards of competency or experience as a prerequisite to engaging in a craft or profession, and who is acting exclusively within the scope of the craft or profession for which the person is currently licensed pursuant to such other law. The installation of central heating or air conditioning systems by such a person shall be deemed within the scope of the person's craft or profession;

(3) Any retail clerk, clerical employee, salesperson or other employee of a licensed home improvement contractor;

(4) Any residential or commercial contractor who holds a valid license issued pursuant to this chapter and is engaged in contracting within the terms and conditions of the license; or

(5) An interior designer performing services as set forth in § 62-6-501(4)(B)(vii).

(b) A homeowner may secure a permit without a state license to do any improvements on such homeowner's own properties. However, in so doing, the homeowner shall have no claim to the fund.

62-6-506. Application procedure for licensing - Temporary licenses - Expiration.

- (a) An application for an original license required by this part shall be in writing on a form prescribed by the board. The board may seek from an applicant information pertinent to the applicant's character, experience, financial stability, and other information deemed necessary in order to evaluate the applicant's qualifications to be licensed pursuant to this part.
- (b) The applicant shall file with the board information that includes, but is not limited to:
 - (1) A complete statement of the general nature of the applicant's home improvement contracting business or the applicant's duties;
 - (2) If the applicant is:
 - (i) An individual, the applicant's name and address;
 - (ii) A partnership, the names and addresses of all partners;
 - (iii) A joint venture, the names and addresses of the parties to it; or
 - (iv) A corporation, the names and addresses of all officers;
 - (3) A record of the previous experience of the applicant in the field of home improvements or other construction work, including dates and addresses where the applicant has resided and done business;
 - (4) Whether the applicant has ever been licensed in Tennessee or any other state, or has had a professional or a vocational license refused, suspended or revoked;
 - (5) Evidence of worker's compensation coverage pursuant to title 50, chapter 6, and evidence of general liability insurance, including the amount of the coverage, or submission to the board of a copy of the applicant's insurance policies or certificates of insurance issued by the carrier or self-insurer to the applicant indicating the date and duration of the coverage. Evidence of insurance coverage pursuant to this subdivision (b)(5) also shall be required to be submitted for renewal of licensure;
 - (6) Whether, in the five (5) years prior to the date of application, the applicant had any judgment rendered against the applicant in actions arising out of the field of home improvements or other construction work;
 - (7) Whether the applicant presently has outstanding judgments against the applicant in actions arising out of the field of home improvements or other construction work; and
 - (8) Whether the applicant is involved in pending litigation arising out of the field of home improvements or other construction work.
- (c) The board shall prescribe and furnish appropriate forms in connection with the issuance, renewal or termination of licenses.
- (d) Temporary licenses may be issued in accordance with rules or regulations adopted by the board, to any applicant for a license who files an application in proper form and pays all required fees. A temporary license shall automatically expire at the time the board either refuses to issue or grants a license, and shall be subject to termination at any time prior to action by the board.
- (e) Unless revoked or suspended by the board, a license shall expire the last day of the twenty-fourth month from issuance and may be renewed upon payment of all required fees and upon completion of a statement indicating all material changes from the original application for a license.
- (f) Every licensee, within thirty (30) days after change of control in ownership, management, or a change of address or trade name, shall notify the board of the change.
- (g) The board, at any time, may require:

- (1) Reasonable information of an applicant or licensee; and
- (2) The production of books and accounts and financial statements.

(h) An applicant for a home improvement contractor's license shall file with the board a cash, surety, or property bond or an irrevocable letter of credit in the amount of ten thousand dollars (\$10,000) for the benefit of any person who is damaged because of the breach of the home improvement contract. Any person so damaged may sue directly on the bond without assignment thereof. The bond may not be construed to require any surety to be responsible for the completion of a home improvement contract entered into by the principal on the bond. The

liability of the surety under any bond may not exceed in the aggregate the amount of the bond. If the bond ceases to be in effect, the home improvement contractor's license shall become invalid.

62-6-507. Expiration of licenses- assignment and transfer - renewal - issuance of duplicate licenses

(a) All licenses, except temporary licenses, shall expire the last day of the twenty-fourth month from the date of issuance.

(b) No license shall be assignable or transferable except as provided in this subsection (b). A license to conduct a home improvement business issued to an individual may be assigned or transferred for the remainder of the license period to a partnership or stockholder of a corporation owning not less than twenty-five percent (25%) of the outstanding stock at the time of assignment or transfer. A license issued to a partnership may be assigned or transferred for the remainder of the license period to any one (1) member of the partnership; provided, that the member obtains the consent of all of the other members of the partnership. The application for transfer or assignment shall be accompanied by proof satisfactory to the board that there has been compliance with the requirements of this subsection (b). No assignment or transfer shall become effective unless and until the endorsement of the transfer or assignment has been made on the face of the license by the commissioner and the license, so endorsed, has been returned to the assignee or transferee. All endorsements shall be made without payment of any fee.

(c) Any license, except a temporary license, that has not been suspended or revoked, may, upon the payment of the renewal fee prescribed by this part, be renewed for an additional period of twenty-four (24) months from its expiration, upon the filing of an application for renewal, on a form to be prescribed by the board. The form shall include a statement to be completed by the applicant indicating all material changes from the original application for a license. A penalty fee of ten dollars (\$10.00) per month, not to exceed thirty dollars (\$30.00), shall be assessed on any renewal application postmarked after the date of expiration. No renewal application shall be accepted more than ninety (90) days after the expiration of the license.

(d) A duplicate license may be issued for one lost, destroyed or mutilated upon application for a duplicate on a form prescribed by the board and the payment of the fee prescribed by this part. Each duplicate license shall have the word "duplicate" stamped across the face of the license and shall bear the same number as the one it replaces.

62-6-508. Requirements of home improvement contracts—

(a) Every home improvement contract shall:

- (1) Be in legible writing and contain the complete agreement between the owner and the home improvement contractor;
- (2) State the full names and addresses of all parties, the license number of the home improvement contractor, the date when executed by the parties and contain a description of the work to be done and the goods to be used;

(3) Be completed in full without any blank spaces to be filled in after the contract is signed by the owner and clearly describe any other documents that are to be incorporated, and shall contain the following notice directly above the space provided for the signature of the owner:

NOTICE TO OWNER: Do not sign this contract if blank. You are entitled to a copy of the contract at the time you sign.

(4) Contain the approximate dates when the work will begin and be substantially completed;

(5) Contain the agreed upon consideration for the work;

(6) Contain a notice that all home improvement contractors must be licensed by the board and that any inquiries about a contractor should be transmitted to the board's office;

(7) Contain all other matters upon which the parties lawfully agree; and

(8) Not contain any power of attorney to confess judgment.

(b) No sales person, agent or employee of the home improvement contractor shall be authorized to make any changes in the agreement on behalf of the owner.

(c) Contracts that fail to comply with the requirements of this section shall not be invalid solely because of noncompliance.

62-6-509. Grounds for loss of license —

(a) The board may refuse to issue or renew, or suspend or revoke a license under this part, if it finds that the applicant or licensee:

(1) Has made a material omission or misrepresentation of fact on an application for a license;

(2) Has failed to furnish information to the board concerning an application for a license as required by this part;

(3) Lacks competence to engage in the home improvement business, as evidenced by work performed in a poor and unworkmanlike manner, or when the work involved is inadequate or incomplete;

(4) Has been convicted of a felony, is untrustworthy or not of good character;

(5) Has consistently failed to perform contracts, has manipulated assets or accounts, or has engaged in fraud or bad faith; or

(6) Has violated any provision of this part or is performing or attempting to perform any act prohibited by this part.

(b) In addition to or in lieu of any lawful action taken under subsection (a), the board may assess a civil penalty of not more than five hundred dollars (\$500) for each violation of any provision of this part. In determining whether to impose a civil penalty, the board shall consider the seriousness of the violation, the deleterious effect of the violation, any good faith on the part of the violator, and the violator's history of previous violations.

(c) Notwithstanding the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, relative to the amount of civil penalties that may be imposed, the commission may impose a civil penalty not to exceed one thousand dollars (\$1,000) against any person who engages in unlicensed home improvement contracting.

62-6-510. Prohibited acts

The following acts are prohibited:

- (1) Abandonment or willful failure to perform, without justification, any home improvement contract or project engaged in or undertaken by a contractor, or willful deviation from or disregard of plans or specifications in any material respect without the consent of the owners;
- (2) Making any substantial misrepresentation in the procurement of a home improvement contract, or making any false promise of character likely to influence, persuade or induce;
- (3) Any fraud in the execution of, or in the material alteration of, any contract, mortgage, promissory note or other document incident to a home improvement transaction;
- (4) Preparing or accepting any mortgage, promissory note, or other evidence of indebtedness upon the obligations of a home improvement transaction with knowledge that it recites a greater monetary obligation than the agreed consideration for the home improvement work;
- (5) Willful or deliberate disregard and violation of the building, sanitary and health laws of this state or of any political subdivision of this state, or of the safety, labor, or workers' compensation insurance laws of this state;
- (6) Misrepresentation of a material fact by an applicant in obtaining or attempting to obtain a license;
- (7) Failure to notify the board of any change of control in ownership, management or business name or location;
- (8) Conducting a home improvement business in any name other than the one in which the contractor is licensed;
- (9) Advertising in any manner that a licensee is licensed pursuant to this part, unless the advertisement includes an accurate reference to the appropriate current license number consisting of and limited to a form as prescribed by the board;
- (10) Failure to comply with any order, demand or requirement lawfully made by the board pursuant to and within the authority of this part;
- (11) The demand for or the receipt of any payments prior to the signing of a home improvement contract;
- (12) Receipt at or before the time of execution of a contract of a deposit of more than one third (1/3) of the contract price, unless:
 - (A) The home improvement contract allows for the home improvement contractor to furnish a performance and payment bond, lien and completion bond, or bond equivalent covering full performance and completion of the home improvement contract and the bond is furnished by the home improvement contractor; provided, that the amount of the bond or bond equivalent is not less than one percent (1%) of the net sales of the home improvement contractor's home improvement business with respect to the home improvement labor to be determined on an annual basis at January 1 of each year; or
 - (B) After being fully advised by the contractor in writing of the right to withhold final payment up to one hundred percent (100%) of payment before completion of the project, the owner elects to make final payment to the home improvement contractor for the project before completion for the owner's convenience or the parties agree on a schedule of payments to be made before, during and after completion of the project;
- (13) Failure to obtain the necessary permits as required by any local jurisdiction;
- (14) Making false or deceptive representations in any advertisement or solicitation for services or products that the services or products have sponsorship, approval, affiliation or connection with a bank, savings and loan association, savings bank or subsidiary or affiliate thereof;
- (15) Using the name or logo of any bank, savings and loan association, savings bank or subsidiary or affiliate thereof, without the express written consent of the person whose name is used; and

- (16) (A) (i) Having a controlling ownership interest in the lender providing a mortgage loan for home improvement for the work being performed by the home improvement contractor;
- (ii) Accepting anything of value for the referral of a borrower to the lender; or
- (iii) Being a cosigner or acting as a guarantor for a mortgage loan for home improvement.
- (B) As used in subdivision (16)(A), “mortgage loan for home improvement” shall have the same meaning as defined in § 45-13-123(c).

62-6-511. False documentation

Any person who accepts or receives a completion certificate or other evidence that performance of a home improvement contract is complete or satisfactorily concluded, with knowledge that the document is false and that the performance is not completed, or who utters, offers, or uses the document in connection with the making or accepting of any assignment or negotiation of the right to receive any payment from the owner, under or in connection with a home improvement contract, or for the purpose of obtaining or granting any credit or loan on the security of the right to receive any payment, as aforementioned, knowing or having good reason to know the document to be false, commits a Class A misdemeanor.

62-6-512. Criminal penalty

Any person who owns, operates, conducts a home improvement business or procures a home improvement contract without a license pursuant to this part, or who violates any of the provisions of this part, or having had a home improvement contractor's license suspended or revoked continues to engage in the business, commits a Class A misdemeanor. Each violation is deemed a separate offense.

62-6-513. Powers and duties of board

In addition to the powers and duties elsewhere prescribed in this part, the board may:

- (1) Examine the qualifications and fitness of applicants for licenses under this part;
- (2) Keep records of all licenses issued, suspended or revoked. These records shall be open to the public for inspection during regular business hours;
- (3) Promulgate rules and regulations with respect to license applications, investigation and examination of applicants and their qualifications, and any other matters incidental or appropriate to the board's powers and duties as prescribed by this part and for the proper administration and enforcement of this part, and to amend or repeal any of the rules and regulations;
- (4) Receive complaints from the public regarding home improvement contractors, and maintain records of the complaints.

62-6-514. Issuance of injunctions

If the board concludes that any continuing conduct by any person alleged to be in violation of this part may result in substantial or irreparable harm to any citizen of this state, the board may seek a permanent or temporary injunction with respect to the conduct from the circuit or chancery court of any county in which the alleged violation is occurring, or in which the violator has its principal place of business.

62-6-515. Administrative procedures

The Uniform Administrative Procedures Act, compiled in title 4, chapter 5, governs all matters and procedures respecting the hearing and judicial review of any contested case, as defined in that act, arising pursuant to this part.

62-6-516. Exemptions

(a) This part does not apply to the official transactions of an authorized representative of the United States, or an instrumentality of the United States, any state or territory of the United States, any municipality or county of a state or territory, or any instrumentality of a state or a political subdivision of an instrumentality of a state.

(b) If home improvement contractors in a county are exempted from licensure under this chapter on July 1, 2007, due to a county exclusion, the legislative body of the county may, by a two-thirds (2/3) majority vote, elect to make this part applicable in the county. Any county electing to come within this part shall so notify the board.

62-6-517. Citations- ~~service~~ – appeal - settlement of injuries prior to license

(a) The executive director of the board, acting on behalf of the board, is authorized to issue citations against persons acting in the capacity of or engaging in the business of home improvement without a license in violation of this part. Each citation shall be in writing and shall describe with particularity the basis of the citation. Each citation shall contain an order to cease all violations of this part and an assessment of a civil penalty in an amount not less than fifty dollars (\$50.00) nor more than two hundred fifty dollars (\$250).

(b) The board shall promulgate rules and regulations to specify those conditions necessary to the issuance of a citation, and the range of penalties for violations of this part.

(c) The sanctions authorized by this part are in addition to any other remedies, civil and criminal, available to any person harmed by a violation of this part.

(d) Service of a citation issued pursuant to this section may be made by certified mail at the last known business address or residence address of the person cited.

(e) A citation issued pursuant to this section shall be issued by the executive director within one (1) year after the act or omission that is the basis for the citation.

(f) Any person served with a citation pursuant to this section may appeal to the executive director by written notice postmarked within fifteen (15) working days after service of the citation with respect to violations alleged, scope of the order, or amount of civil penalty assessed. If a person cited timely notifies the executive director that the person intends to contest the citation, the executive director shall afford an opportunity for a contested case hearing pursuant to the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, part 3. After all administrative appeals have been exhausted, the executive director may apply to the appropriate court for a judgment in an amount of the civil penalty, plus applicable court costs and for an order to cease activities in violation of this part. The motion for the order, which shall include a certified copy of the final order of the hearing officer or administrative judge, shall constitute a sufficient showing to warrant the issuance of the judgment and order. Notwithstanding any law to the contrary, the executive director may waive part of the civil penalty if the person against whom the civil penalty is assessed satisfactorily completes all the requirements for, and is issued, a license as a home improvement contractor.

(g) Any outstanding injury to the public shall be settled satisfactorily before a license as a home improvement contractor is issued.

(h) Section 62-6-509(c) and this section do not apply to the construction, repair or replacement of detached permanent structures designed for the storage of tools, farm implements, lawn care machinery, bulk products and other such items.

62-6-518. Civil penalty

(a) After notice and an opportunity for a hearing, the board is authorized to impose a civil penalty in an amount not to exceed twenty-five thousand dollars (\$25,000) per violation for a violation of § 62-6-510 (3), (4) or (14). The penalty shall be in addition to any other penalty authorized pursuant to this part.

(b) In addition to the civil penalty authorized pursuant to subsection (a), a violation of § 62-6-510(3), (4) or (14) shall be construed to constitute an unfair or deceptive act or practice affecting the conduct of trade or commerce under the Tennessee Consumer Protection Act, compiled in title 47, chapter 18, and as such the private right of action remedy under that act shall be available to any person who suffers an ascertainable loss of money or property, real, personal, or mixed, or any other article, commodity, or thing of value wherever situated as a result of a violation.

62-6-519. Transfer of staff

On July 1, 2007, the existing staff of the home improvement commission shall be transferred to the state board for licensing contractors.

62-6-520. Establishment of subcommittee on home improvement contractors

(a) There is established a subcommittee whose focus shall be related to issues concerning home improvement contractors. The subcommittee shall act as an advisory committee concerning home improvement contractors and report all findings and recommendations concerning licensure and disciplinary actions relative to home improvement contractors to the board; provided, that all final decisions concerning those actions shall be decided by the board.

(b) All current members of the home improvement commission appointed pursuant to §62-37-116 on or before July 1, 2007, shall serve as the initial subcommittee and the members shall serve until the term of the most recent appointee expires. The terms of every other member of the commission shall be extended to coincide with the expiration of the term of the most recent appointee. At the expiration of the terms, the subcommittee as constituted pursuant to this subsection (b) shall cease to exist, and the board shall appoint a new subcommittee of board members to focus on issues relating to home improvement contractors.

(c) The members of the subcommittee shall receive the same amount of compensation and reimbursement as received by board members for each day actually spent in the performance of their official duties.

(d) All issues concerning home improvement contractors shall be heard by the subcommittee, which shall, pursuant to subsection (a), report its findings and recommendations to the board for final disposition and action by the board concerning those findings and recommendations.

62-6-521. Additional subcommittees

(a) In addition to the appointment of a subcommittee established pursuant to § 62-6-520, the board shall appoint two (2) additional subcommittees in accordance with the following:

(1) A subcommittee of board members whose focus shall be related to issues concerning home builders; and

(2) A subcommittee of board members whose focus shall be related to general contractor issues dealing with commercial construction, including electrical, mechanical, plumbing and heating, ventilation and air conditioning.

(b) Each subcommittee shall act as an advisory committee concerning their respective areas pursuant to subsection (a) and shall report its findings and recommendations concerning licensure and disciplinary actions and other substantive issues to the board; provided, that all final decisions concerning those actions shall be decided by the board.

(c) The members of the subcommittee shall receive the same amount of compensation and reimbursement as they would receive for performing their duties as board members for each day actually spent in the performance of their official duties.

**Title 39 Criminal Offenses - Chapter 14 Offenses Against Property - Part 1 Theft
39-14-154. Actions by home improvement services provider that constitute offense.**

(b) It is an offense for a home improvement services provider with intent to defraud to:

(1) Fail to refund amounts paid under a contract for home improvement services within ten (10) days of either the acceptance of a written request for a refund either hand delivered or mailed certified mail return receipt attached or the refusal to accept the certified mail sent to the last known address of the home improvement services provider by the residential owner if all of the following apply:

(A) No substantial portion of the contracted work has been performed at the time of the request;

(B) More than ninety (90) days have elapsed since the starting date of the contract for home improvement services; and

(C) A copy of the written request for a refund was sent by the residential owner to the consumer protection division of the office of the attorney general;

(2) Deviate from or disregard plans or specifications in any material respect that are contained in a contract for home improvement services. Such deviation includes, but is not limited to:

(A) The amount billed for the home improvement services is substantially greater than the amount quoted in the contract;

(B) The materials used in the project are of a substandard quality but the residential owner was charged for higher quality materials; or

(c) (i) The residential owner did not provide written consent for the home improvement services provider to deviate from or disregard plans or specifications in the contract; and

(ii) Such deviation or disregard caused substantial damage to the residential owner's property.

(c) (1) A violation of subsection (b) is punishable as theft pursuant to § 39-14-105. "Value" for a violation of subsection (b), shall be determined by the monetary amount of the contract for home improvement services that is paid, minus the value of any work performed, plus the cost to repair any damage to the residential owner's property caused by the home improvement services provider.

(2) If a person is convicted of a violation of subsection (b), the court may order the person to make restitution to any residential owner that has suffered injury resulting from the crime. Vehicles used to commit this offense are subject to seizure and forfeiture under the same procedures used for forfeitures set out in chapter 11, part 7 of this title.

(3) All fines collected as a result of a violation of subsection (b) shall be allocated as follows:

(A) First to remaining unpaid court costs assessed in the case;

(B) Then to restitution ordered by the court pursuant to subdivision (c)(2); and

(C) Any remaining money shall be transmitted to the state board of licensing contractors for purposes of carrying out the provisions of § 62-6-139.

(4) In addition such a violation shall be construed to constitute an unfair or deceptive act or practice affecting the conduct of trade or commerce under the Tennessee Consumer Protection Act of 1977, compiled in title 47, chapter 18, and as such, the private right of action remedy under that act shall be available to any person who suffers an ascertainable loss of money or property, real, personal, or mixed, or any other article, commodity, or thing of value wherever situated as a result of such violation.

(d) Upon a conviction for a violation of this section, the court shall notify the state board of licensing contractors of the home improvement services provider's conviction. If the home improvement services provider is licensed by the board, the board shall revoke the home improvement services provider's license pursuant to § 62-6-118.

(e) Prosecution under subsection (b) shall not bar prosecution under any other applicable criminal statute nor shall it bar the commencement of any applicable civil cause of actions, including but not limited to, violations of the Tennessee Consumer Protection Act of 1977, compiled in title 47, chapter 18, part 1 or title 62, chapter 6.

(f) The district attorney in conjunction with any law enforcement agency shall have the authority to investigate and to institute criminal proceedings for any violation of subsection (b) regardless of any actions taken or not taken by the board of licensing contractors.

End of Law

Note: Current Law may be reviewed directly from the Board's website or at the LexisNexis law site at: www.michie.com

(See Rules Attached)

**RULES
OF
TENNESSEE BOARD FOR LICENSING CONTRACTORS
CHAPTER 0680-07
GENERAL REGULATIONS FOR HOME IMPROVEMENT CONTRACTORS
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0680-07-.01 FEES.

- (1) Initial application and license fee (biennial)\$250.00 per business location
- (2) Renewal fee (biennial).....\$200.00 per business location
- (3) Late renewal fee \$10.00 each month; not to exceed three (3) months
- (4) Duplicate license fee for one lost, destroyed or mutilated.....\$10.00

Authority: T.C.A. §§ 62-6-504 and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.02 DEFINITIONS.

The definitions contained in T.C.A. § 62-6-501, are incorporated into these regulations by references as 0680-07-.02.

Authority: T.C.A. § 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.03 LICENSE FOR HOME IMPROVEMENT CONTRACTORS.

All home improvement contractors required to be licensed shall have licenses on and after January 1, 1989.

Authority: T.C.A. §§ 62-6-502 and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.04 ADVERTISING.

(1) A licensed home improvement contractor may not solicit home improvement business by way of advertisement in a newspaper, magazine, circular, or printed document, or by way of television or radio announcement, unless the name and license number of the contractor is stated in the advertisement.

(2) A licensee may not directly or indirectly publish any advertisement relating to home improvements, including finance or credit terms, that contains an assertion, representation, or statement of fact that is false, deceptive or misleading.

(3) General statements, such as “Factory to You,” “Direct to You,” “Buy from the Manufacturer,” “Save the Middleman’s Profit,” or phrases of similar meaning may not be used unless the advertiser is actually the maker or producer of the merchandise advertised or offered for sale.

Authority: T.C.A. §§ 62-6-510(9) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.05 NOTICE OF CHANGE OF LICENSING INFORMATION.

A licensee shall notify the Board in writing within thirty (30) days of any change of control in ownership, management, address or trade name. Upon notification of a substantial change in control of ownership, the Board reserves the right to require a new application for licensure.

Authority: T.C.A. §§ 62-6-506(h) and 62-6-513(3). Administrative History: Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.06 TIME LIMITATIONS FOR FILING COMPLAINTS.

The Board may summarily dismiss any complaint brought against a licensee after one (1) year from the date of the home improvement contract for the work from which the complaint arises, unless the Board finds that the delay was justified and does not result in an undue burden for the licensee.

Authority: T.C.A. §§ 62-6-513(3) and 62-6-513(4). Administrative History: Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.07 APPLICATION FOR LICENSURE AS HOME IMPROVEMENT CONTRACTOR.

(1) An application for licensure as a home improvement contractor, whether it is in the name of an individual, partnership, proprietorship, or corporation, may not be accepted, if the name under which the licensee will be trading is the name being used by an existing licensee, or is so similar to the name being used by an existing licensee that it will cause confusion on the part of the public at large, unless the applicant has obtained exclusive use of this name under the federal trademark laws.

(2) If the applicant's mailing address is a post office box, the applicant must also include a physical address for the business location.

Authority: T.C.A. §§ 62-6-506(c) and 62-6-513(3). Administrative History: Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.08 TEMPORARY LICENSES.

(1) Pursuant to T.C.A. § 62-6-506(d), the Executive Director may grant an application for a home improvement license a temporary license pending a final decision of the Board on the Application for a permanent license if:

(a) applicant has properly filed for a permanent license and has paid the requisite license fee;

(b) applicant has filed a bond or evidence of financial responsibility in accordance with T.C.A. §62-6-506(h);

(c) applicant submits a written request for a temporary license to the Executive Director; and

(d) Executive Director determines that granting the applicant a temporary license is in the public interest and that granting the applicant a temporary license does not pose a substantial risk of harm to owners for whom the applicant would do home improvement work.

(2) As soon as reasonably possible after receiving a written request for a temporary license, but not more than forty-five (45) days after receiving the request, the Executive Director shall inform the applicant in writing whether the Executive Director has denied or granted the applicant a temporary license. If the Executive Director grants an applicant a temporary license, the writing to the applicant shall state that the temporary license terminates automatically when the Board decides to issue or deny the applicant a permanent license and that the Executive Director can terminate the temporary license at any time before final action on the application for a permanent license. Notwithstanding the above, a temporary license shall automatically expire after sixty (60) days from the effective date, and may not be renewed. If an additional application for a temporary license is filed within thirty (30) days after expiration of a previously issued temporary license, then the fee shall be twenty-five dollars (\$25.00).

(3) When the Executive Director issues a temporary license to an applicant, the Executive Director shall issue the applicant a license which is specially marked as temporary. This temporary license may be in the form of a letter from the Executive Director. The Executive Director shall state in this letter the effective date of the temporary license.

(4) A temporary license shall automatically expire if the Board issues a Final Order denying the applicant's request for a permanent license.

(5) The Executive Director or the Board may terminate a temporary license at any time for any reason which is not arbitrary or capricious. When the Executive Director or the Board terminates a temporary license, it shall take effect upon receipt by the applicant of the notice of termination, or ten (10) days after the mailing of the notice of termination, or whichever comes first.

Authority: T.C.A. §§ 62-6-506(c), 62-6-506(d) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.09 LICENSE RENEWALS.

(1) An application for a license previously issued which is received within one (1) year from the date of issue shall be presumed to be an application for a renewal of that license; no renewal application will be accepted more than ninety (90) days after the expiration of the license.

(2) An application for a license previously issued which is received more than ninety (90) days from the date of the previously issued license's expiration shall be presumed to be an application for a new license.

(3) Effective Date of Renewals. A license renewed pursuant to this regulation may not be retroactive to the date that the previously issued license expired, but shall take effect on the date that the applicant fulfills the Board's requirements for renewal. The license shall expire two (2) years from the date on which the previously issued license expired.

Authority: T.C.A. §§ 62-6-506(g), 62-6-513(3) and 62-6-507(d). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.10 CREDIT REPORTS.

(1) The Board in its discretion may require an applicant for an original contractor's license to submit to the Board a credit report from an approved credit reporting agency and a statement of all outstanding judgements against the applicant.

(2) The Board shall consider this credit report and statement in determining whether the applicant has demonstrated financial solvency.

Authority: T.C.A. §§ 62-6-506(a) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.11 FINANCIAL STATEMENT.

The Board may require any applicant to submit a reviewed financial statement attested to by either a certified public accountant or licensed public accountant; or on a form prescribed by the Board with a notarized affidavit, in order to determine the applicant's financial stability.

Authority: T.C.A. §§ 62-6-506(a) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.12 FILING OF SECURITY PRIOR TO ISSUANCE OF LICENSE.

(1) The requirements of T.C.A. § 62-6-506(h) must be effective and evidence thereof filed with the Board prior to issuance of the contractor's license.

(2) Upon cancellation of an instrument described in T.C.A. § 62-6-506(h) the licensee must notify the Board in writing within ten (10) days of such cancellation.

Authority: T.C.A. §§ 62-6-506(h) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.13 BONDS.

(1) Bonds shall be written on a form approved by the Insurance Commissioner, available through the Board, which shows the name of the principal as it appears on the license application.

(2) Description of Bonds.

(a) Cash Bonds.

Cash bonds may not include personal checks.

Cash bonds may include:

1. Currency, which shall be deposited with the State Treasurer, subject to the order of the Board, and which may not earn interest;
2. Cashier's check, certificate of deposit for a term of at least two (2) years or certified check:

(i) Issued by a financial institution;

(ii) Showing the name of the purchaser; and

(iii) Assigned and payable to the Board;

3. Savings and loan association certificates, passbook or share accounts, credit union or share accounts, passbook savings or other similar accounts assigned and payable to the Board, which shall be issued for periods of not less than one (1) year and accompanied by delivery of the certificate passbook, share account, certificate, passbook or other similar account to the Board.

(b) Property Bond

1. A property bond shall be the assignment to the Board by an owner applicant of an interest of ten thousand dollars (\$10,000.00) in real property located in Tennessee; and submission of a title search showing any encumbrances on the property.

2. The Board may require the applicant to submit an appraisal of the property to ascertain that the unencumbered value of the property is at least ten thousand dollars (\$10,000.00).

(c) Surety Bond.

1. A surety bond shall be in the amount of ten thousand dollars (\$10,000.00), issued to a home improvement contractor by an approved insurance company authorized to do business in Tennessee, for the benefit of a claimant, who has been damaged by the contractor's breach of a home improvement contract. If the bond ceases to be in effect, the home improvement contractor's license shall become invalid.

2. The Board may refuse to accept a bond written for a home improvement contractor by a surety which has failed to meet its obligations under this subtitle.

(d) Letter of Credit.

1. A bond in the form of an irrevocable letter of credit shall be an agreement, between a financial institution and a home improvement contractor on record at the Board wherein the FDIC insured financial institution agrees to extend an irrevocable line of credit amounting to ten thousand dollars (\$10,000.00), for the purpose of honoring claims filed with the Board.

2. The irrevocable letter of credit shall show the name of the financial institution extending the credit and the name of the applicant or home improvement contractor to whom the letter of credit was issued as it appears on the applicant's or home improvement contractor's license application.

(3) Release of Bond.

A bond may not be released until whichever occurs last:

(a) One (1) year after the inactivation, expiration or revocation of home improvement contractor's license;

(b) After the pending claims against the licensee filed during the period described in

3(a) have been heard and satisfied, or dismissed.

Authority: T.C.A. §§ 62-6-506(h) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.14 COUNTY ADOPTION OF HOME IMPROVEMENT LAW.

The legislative body of the county may, by two-thirds (2/3) majority vote, adopt the home improvement license law. Such county must notify the Board in writing of the effective date to implement the requirements to home improvement contractors.

Authority: T.C.A. §62-6-516(b). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

End of Rules

The current Rules may be reviewed from the Board's website or directly at the Tennessee Secretary of State's publications at: <http://www.tn.gov/sos/pub/index.htm>

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The Tennessee Department of Commerce and Insurance is committed to principles of equal access and affirmation action. Contact the EEO or ADA Coordinator at (615) 741-2177.

FAQ for Home Improvement Contractors

Test your knowledge! Review the following questions (answers provided) to see how much knowledge you have of the Home Improvement law.

1. *Who is required to obtain the permit with local government on a project?*

Contractor (Prime)

(See page 10 under "Local Government")

2. *Does the law require contracts for Home Improvement to be in writing?*

Yes

(See page "Law Page 6" in section T.C.A. § 62-6-508)

3. *Is there a new law requiring contracts to have a cancelation clause?*

Yes

(See page 10; if contractor is installing a roof to be paid by insurance, the homeowner must be given a written contract which provides a means to cancel within 3 days AFTER claim denied by insurance company).

4. *If you go out of business, how soon may the Board release the financial responsibility (bond/ILOC)?*

One year

(See page "Rules 5 of 5"; section 0680-07-.13 for the Release of Bonds)

5. *Should the Home Improvement license ID# be included in advertisements?*

Yes

(See "Law Page 7", T.C.A. § 62-6-510)

6. *The new law requires employees and owners to be covered by workers' compensation insurance. However, if you have no employees; perform the work yourself for the homeowner; and not operating as a corporation, are you required to register for a Workers' Comp insurance exemption?*

No, exempt by law of both coverage and registration of exemption.

(See page 8 or check with the Department of Labor and Workforce Development)

7. *If you are an out of state contractor and do not utilize Tennessee employees, can you provide a Certificate of Insurance that excludes Tennessee?*

No, out of state employees must be covered for a policy covering Tennessee. However, the owners may register for an exemption.

(Check with the Division of Labor and Workforce Development at: <http://www.tn.gov/labor-wfd/wcomp.html>)

8. *How long does it take to get approved for a license?*

Typically, a few weeks; all applications are reviewed by a Board member prior to issuance. Unless there are complaints, felonies, judgments, or discrepancies, such as no experience, an interview with the Board is not required.